

Message Text

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ACTION NEA-10

INFO OCT-01 AF-06 EUR-12 ISO-00 CU-02 SAM-01 CIAE-00

DODE-00 PM-04 H-02 INR-07 L-03 NSAE-00 NSC-05 PA-01

PRS-01 SP-02 SS-15 USIA-06 EB-07 OMB-01 TRSE-00

COME-00 SIL-01 LAB-04 /091 W
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R 271604Z JAN 76

FM AMEMBASSY CAIRO

TO SECSTATE WASHDC 9554

INFO AMCONSUL ALEXANDRIA

AMEMBASSY AMMAN

AMEMBASSY DAMASCUS

AMEMBASSY BEIRUT

AMEMBASSY JIDDA

AMEMBASSY KHARTOUM

AMEMBASSY LONDON

AMEMBASSY MOSCOW

AMEMBASSY TEL AVIV

AMEMBASSY TRIPOLI

C O N F I D E N T I A L SECTION 1 OF 2 CAIRO 1071

E.O. 21652: GDS

TAGS: PINT, EG

SUBJECT: STUDENTS SURFACE GENERAL UNHAPPINESS OVER DOMESTIC
SITUATION

1. SUMMARY. VAST MAJORITY OF EGYPTIANS HAVE STILL SEEN LITTLE EVIDENCE OF THE IMPROVING ECONOMIC CONDITIONS WHICH GOE HAS BEEN PREDICTING AND RUMBLINGS OF DISAFFECTION ARE GROWING. AT ROOT OF PROBLEM IS CONTINUING RISE OF COST OF LIVING, PARTICULARLY FOODSTUFFS, WITH LITTLE OR NO INCREASE IN INCOME FOR AVERAGE URBAN FAMILY. STUDENTS, AS USUAL IN EGYPT, ARE GRUMBLING LOUDEST AND HAVE DEMONSTRATED PUBLICLY AGAINST ECONOMIC, SOCIAL AND UNIVERSITY CONDITIONS. SOVIET EMBASSY APPEARS TO BE ENCOURAGING EGYPTIAN LEFTISTS' CHARGES THAT NEWLY-RICH "PARASITES"

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ARE THE SOLE BENEFICIARIES OF SADAT'S ECONOMIC LIBERALIZATION

POLICIES. TIME SEEMS RIPE FOR CABINET RESHUFFLE AND WE EXPECT SOME ECONOMIC MINISTERS TO BE REPLACED SOON. END SUMMARY.

2. WITH FEW EXCEPTIONS (E.G., THOSE PROVIDING MENIAL SERVICES TO BURGEONING TOURISM), HANDFUL OF WEALTHY MIDDLE CLASS BUSINESSMEN APPEAR TO BE MAIN BENEFICIARIES OF GOE'S OPEN DOOR ECONOMIC POLICY. GOE, NEVERTHELESS, CONTINUES FEED RISING EXPECTATIONS AND PROMISES ECONOMIC DISTRESS WILL SOON BE ALLEVIATED. WHATEVER SINCERE EFFORTS GOE MAY HAVE EXERTED, MOST EGYPTIANS SEE LITTLE EVIDENCE THAT THESE PROMISES HAVE BEEN KEPT AND LEFTIST AGITATORS AND STUDENTS, BECOMING INCREASINGLY AUDACIOUS IN VOICING THEIR DISCONTENT, ARE FINDING AN EXPANDING AUDIENCE.

3. "PARASITISM" IS THE NEW LEFTIST CATCH WORD IN EGYPT. LEFTIST MAGAZINES HAVE ARGUED FOR WEEKS THAT PARASITES ARE FASTENING THEMSELVES ONTO THE BODY OF THE EGYPTIAN PUBLIC, A PROCESS WHICH CAN BE REVERSED ONLY BY RETURNING TO THE STRINGENT STATE CONTROLS SUBSUMED UNDER THE NASSERIST REBRIC "ARAB SOCIALISM". THE SOVIET EMBASSY IS PROBABLY INVOLVED IN LOW KEY SOCIAL AGITATION, WITH STRESS ON FACT THAT RICH ARE GETTING RICHER AND, AS WAGES HAVE NOT RISEN SUFFICIENTLY TO MEET INCREASE IN COST OF LIVING, POOR ARE GETTING POORER. WE UNDERSTAND, FOR EXAMPLE, SOVIET CULTURAL CENTER TWO WEEKS AGO HAD PUBLIC SOIREE AT WHICH EGYPTIAN SINGER ENTERTAINED STUDENT AUDIENCE WITH SONGS DEVOTED TO RIDICULING GOE'S ECONOMIC POLICY AND CRITICIZING ARROGANCE OF WEALTHY UPPER CLASS.

4. SO FAR, WE ARE UNAWARE OF ANY RECENT LABOR AGITATION. HOWEVER, JUDGES, WHO HAVE LEGITIMATE COMPLAINTS ABOUT THEIR SALARY SCALE AND THEIR OVERCROWDED COURT FACILITIES, STRUCK TWO HOURS A WEEK AGO. AS USUAL, IT IS THE STUDENTS WHO ARE TAKING THE LEAD IN REGISTERING THEIR COMPLAINTS PUBLICLY. DECISION TO DISSOLVE ALL CAIRO UNIVERSITY POLITICAL CLUBS (CAIRO 621) TWO WEEKS AGO WAS RESCINDED A FEW DAYS LATER AT NOISY STUDENT COUNCIL MEETING. BUT OTHER STUDENTS HAD GRIEVANCES WHICH TOOK THEM OUT ONTO THE STREETS ON THREE OCCASIONS (WE HAVE NO EYE-WITNESS ACCOUNTS, BUT EACH DEMONSTRATION REPORTEDLY INCLUDED SEVERAL HUNDRED PERSONS). ARTS STUDENTS

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MARCHED TO PEOPLES ASSEMBLY JANUARY 24 DEMANDING PERMISSION TO ORGANIZE THEIR OWN UNION AND PERMISSION TO ESTABLISH SEPARATE CLUB FOR INDUSTRIAL DESIGN ENGINEERS. ACCORDING TO STUDENT NEWSPAPER ACCOUNT, STUDENTS SHOUTED SLOGANS DEMANDING MEETING WITH SPEAKER MAR'I AND OTHER PARLIAMENTARIANS. SIT-IN ENSUED UNTIL MAR'I SUGGESTED STUDENT-FACULTY COMMITTEE BE FORMED TO STUDY ISSUE. ON JANUARY 25 VETERINARIAN STUDENTS BEGAN HUNTER STRIKE TO PROTEST LOW LEVEL OF ALLOWANCES PAID TO

PHYSICIANS AND VETERINARIANS WHO CHOOSE NOT TO OPEN THEIR OWN CLINICS IN ORDER TO DEVOTE FULL TIME TO GOVERNMENT HEALTH WORK. ON JANUARY 25 STUDENTS FROM CONSERVATIVE AZHAR UNIVERSITY ALSO MARCHED TO ASSEMBLY, REPORTEDLY TO DEMAND APPLICATION IN EGYPT OF ISLAMIC SHARI'A LAW. (DEPPRIMIN/FONMIN FAHMY TOLD AMBASSADOR JANUARY 25 THAT YOUNG, DISAFFECTED MUSLIMS ARE BEGINNING TO ESTABLISH CONNECTIONS WITH LEFTISTS, A DEVELOPMENT WHICH, AS WE HAVE STRESSED IN PAST REPORTING, THIS EMBASSY CONSIDERS A POTENTIAL POLITICAL DANGER TO ANY EGYPTIAN GOVERNMENT.)

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5. ALTHOUGH STUDENTS ARE WELL AWARE MININT WILL NOT HESITATE USE FORCE IF NECESSARY TO BREAK UP DEMONSTRATIONS, SO FAR GOE HAS ENDEAVORED REASON WITH THEM. FOR EXAMPLE, ASU HEAD MUHGUB ATTENDED STUDENT CONFERENCE JANUARY 20 AND URGED

THEM TO ESCHEW STRIKES IN FAVOR OF ESTABLISHED CHANNELS OF COMMUNICATIONS WITH GOE. PRESS HAS UNDER-REPORTED DEMONSTRATIONS AND AKHBAR JANUARY 26 APPEALS FOR IMMEDIATE STOPPAGE OF STREET DEMONSTRATIONS AIMING AT INTIMIDATION OF MINISTERS, SINCE "COMMUNISTS INFILTRATE RANKS" ON ORDERS FROM MOSCOW. IT MAY BE THAT SADAT'S APPARENTLY LAST-MINUTE DECISION TO ADDRESS HIGHER POLICE COUNCIL ON JANUARY 25 (POLICE DAY) WAS INTENDED AS SIGNAL TO STUDENTS TO COOL THEIR TEMPER AND CHANGE THEIR TACTICS. SIMILAR SIGNAL IS PRESS REPORT JANUARY 27 THAT MININT HAD ATTENDED EXERCISE IN CONFIDENTIAL

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RIOT CONTROL. WHAT IS WORKING MORE THAN ANYTHING, HOWEVER, TO HOLD DOWN STUDENT DEMONSTRATIONS IS FACT THAT EXAMINATIONS HAVE STARTED AND WILL CONTINUE TO END FEBRUARY, AFTER WHICH THERE IS TWO-WEEK SEMESTER BREAK.

6. ALTHOUGH IN MOST CASES ARTICULATED STUDENT DEMANDS HAVE IN RECENT DAYS BEEN FOCUSED ON STUDENT RELATED AFFAIRS, THERE IS, OF COURSE, UNDERCURRENT OF COMPLAINT IN ALL THESE STUDENT DEMONSTRATIONS ABOUT ECONOMIC SITUATION. MARXIST MONTHLY TALIA EXPLAINS GRAPHICALLY IN THIS MONTH'S ISSUE WHAT WORKING CLASSES ARE FACING: THIRTY-FOUR YEAR OLD FACTORY WORKER WITH FAMILY OF FOUR RECEIVES LE 16 A MONTH. AFTER DEDUCTIONS FOR INSURANCE AND TAXES, HE TAKES HOME TEN POUNDS, OF WHICH HE PAYS LE 4 FOR TRANSPORTATION AND LE 1 FOR GOVERNMENT HOUSING. HE IS LEFT WITH LE 5 TO BUY FOOD AND CLOTHES FOR HIS FAMILY. DESPITE SOURCE OF THIS "EXAMPLE", WE CONSIDER IT ILLUSTRATIVE. EMBASSY IS IN PROCESS OF PREPARING COMPARATIVE REPORT ON COST OF LIVING BETWEEN JANUARY 1973 AND JANUARY 1976 FOR EGYPTIANS EARNING LESS THAN AND MORE THAN LE 30 PER MONTH) BURGEONING NUMBER OF MERCEDES, LARGE NUMBER OF EGYPTIANS PARTICIPATING IN EXPENSIVE CAIRO "NIGHT LIFE," AND INCREASING MIDDLE CLASS INDIFFERENCE STAND IN STARK CONTRAST TO AVERAGE EGYPTIAN'S PLIGHT AND ARE ALMOST CERTAINLY CAUSING GROWING RESENTMENT WHICH LEFTISTS WILL EXPLOIT.

7. WHILE WE DO NOT EXPECT SERIOUS MASS DEMONSTRATIONS HERE IN NEAR FUTURE, ISOLATED DEMONSTRATIONS ARE LIKELY TO CONTINUE. REGIONAL LABATT NOW VISITING CAIRO REPORTS HIS CONTACTS BELIEVE SITUATION IS TENSER THAN IT HAS BEEN IN SOME YEARS, BUT THEY DO NOT EXPECT EARLY WAVE OF STRIKES. NEVERTHELESS, IT IS CLEAR THAT PROVOCATEURS ARE AT WORK, ESPECIALLY ON CAMPUSES. WHILE MOST ARE NO DOUBT OF MARXIST OR NASSERIST VIEWS, PALESTINIANS ARE, AS ALWAYS, ACTIVELY CANVASSING FOR DONATIONS AND DEMANDING STUDENT SUPPORT FOR MORE A PRO-PALESTINIAN EGYPTIAN FOREIGN POLICY.

8. TIME IS RIPE FOR TRADITIONAL GOE TIME-BUYING PLOY: A

CABINET RESHUFFLE AND SOME ECONOMIC MINISTERS WILL PROBABLY
BE CHANGED IN NEAR FUTURE (SEPTTEL).

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: ECONOMIC CONDITIONS, STUDENT DEMONSTRATIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 27 JAN 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: coburnhl
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976CAIRO01071
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D760031-0153
From: CAIRO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760119/aaaaaqhl.tel
Line Count: 232
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION NEA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 5
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: coburnhl
Review Comment: n/a
Review Content Flags:
Review Date: 05 MAY 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <05 MAY 2004 by BoyleJA>; APPROVED <01 SEP 2004 by coburnhl>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: STUDENTS SURFACE GENERAL UNHAPPINESS OVER DOMESTIC SITUATION
TAGS: PINT, EG
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006